

**City of Rome**  
**CALLED FINANCE COMMITTEE MEETING**  
**September 21, 2021**

**PRESENT:**

Committee Chair, Sundai Stevenson  
City Commissioner Randy Quick  
City Commissioner Mark Cochran  
City Manager Sammy Rich  
Assistant City Manager Meredith Ulmer  
Finance Director Toni Rhinehart  
Assistant Finance Director Kraig Ingalsbe  
Vicki Blair, Recording Secretary

Guests:

Mayor Craig McDaniel  
Commissioner Jamie Doss  
Commissioner Bonnie Askew  
Commissioner Jim Bojo  
Joe Smith, City Clerk  
Chris Jenkins, Public Works Director  
Kristy Shepard, HR Director  
Artagus Newell, Planning Director  
Kelley Parker, Admin Assistant/City Manager  
LuGina Brown  
Doug Walker  
Bill Camp via Zoom

Commissioner Stevenson called the meeting to order and introduced the topic of the meeting. The purpose of the meeting is to discuss a recommendation from the Public Works Committee regarding the issuing of a \$25M bond for the paving of roads. City Manager Rich began the discussion and asked Joe Smith to read an email received from Vanessa Waddell of the Floyd County Elections Office regarding the urgency of deciding whether to move forward with the voter referendum for bond issue. The deadline is urgent and must be met by her office. Rich then introduced Bill Camp from Raymond James and stated that he had asked Camp to look at the financial implications that would arise from the bond with a 10-year payback which would result in a debt service of \$2.6M per year. He went on to explain the purpose of the meeting of the Finance Committee was to determine whether to quickly present the request to the Board of Commissioners to meet Ms. Waddell's deadline.

Mayor McDaniel stated that before it is presented to the Commissioners it is important that all Commissioners completely understand what the financial implications are before it is put on a ballot for the voters so that they could defend it when questions are asked. Rich presented another option to set aside \$4M out of the 2022 budget. Two million from SPLOST and two million from Capital could be budgeted in 2022 for paving. In addition, he also mentioned an

idea to create what would be referred to as a “rapid response work crew” of 5 people at a cost of approximately \$250,000 per year. Their top priority every day would be to patch utility cut ins and potholes. This could alleviate many citizen complaints by addressing issues quickly. We would equip this team and provide them with the tools they need to perform these tasks. This money would come partly from the water and sewer budget. As an Enterprise Fund, they currently reimburse the General Fund \$900,000 annually for administrative services such as HR, OTS, Purchasing and Finance, as well as Public Works assistance. This contribution has remained unchanged for a number of years and would be increased to partially offset the cost of the new crew. We could also require permits to be obtained for utility work by other utilities for another possible revenue source.

Commissioner Stevenson asked Public Works Director Chris Jenkins the cost to pave one mile. Jenkins stated that Floyd County provides paving of 12 miles per year per their agreement. The county provides the labor, and the city pays for the materials of about \$100,000 per mile so that would result in \$1.2M towards the paving project. Discussion continued about the state route highways in Rome. Most public complaints are about these state routes, and it is the responsibility of the state to pave these roads.

Stevenson then asked if the \$25M bond would be issued so that everything could be done at the same time. Commissioner Cochran stated that it would take approximately 5 to 7 years to complete the project. Stevenson then asked if the city were able to put \$4M in the budget for 2022, will we also be able to put aside that amount of money for 2023 and consecutive years. Rich stated that it is hard to predict if that would be possible but whatever was decided would be based on it being sustainable. Stevenson brought up the fact that more federal money is potentially coming for infrastructure next year and those funds could also be used in addition to the \$4M in the budget. Cochran replied by stating that if we are getting that money for infrastructure, everyone else would be too, and it would be more cost efficient for us to go ahead and jump in front of everyone else and secure contracts before demand gets high and pricing goes up.

Discussion continued about whether it would be more cost efficient to borrow money and move forward with the project now or wait. Cochran asked if it is fair to the taxpayers to be sitting on money in our fund balance and not using it while the taxpayers continue to pay the millage rate that is currently in place. He voiced his concerns about our millage rate in comparison to others across the state. Stevenson then asked out of the 235 miles of roads in the city, how many currently need to be paved, but there was not a definitive answer. Mayor McDaniel stated that most of the complaints that he gets from the public are in reference to state highways or about potholes. He went on to say that in recent city commission planning sessions this was never mentioned as a priority. He is hesitant to go to taxpayers asking to borrow money for the paving of roads. Stevenson continued the discussion asking if it was fair to the taxpayers that we go and borrow \$25M to pave roads when we might have federal infrastructure dollars coming to us soon. Cochran discussed how our roads are important for commerce and more discussion continued in support of this possible referendum.

Stevenson then mentioned that we are close to the end of the year and asked how much more are the roads going to deteriorate between now and the end of the year. She also stated that if we

have \$4M that is going to be put in the budget along with the money we might receive for infrastructure, why can't we make this a priority and work with that \$4M instead of going into debt with a payment of \$2.6M a year. Discussion continued about how many miles of road would need to be paved and how long it would take to pave all 235. The current state of our roads was then discussed. Everyone feels that information needs to be given so that the public understands the city roads versus the state routes. Commissioner Doss stated it would be important to know how many roads actually need to be paved, and it would be very helpful to have a map that shows the state routes. He also stated that he feels the city commission should establish what projects are priority.

There was discussion among the commissioners about plans going forward and how much could be done with the mentioned \$4M budget in 2022. Approximately 27 miles could be paved with the \$4M. No one can predict whether we will have \$4M to set aside beyond next year nor are we able to predict what the bond rate will be this time next year. They all feel that the general public wants the roads that they travel the most to be good roads and suggested we use the capital and SPLOST budget along with the money from the state and get those roads paved.

Stevenson mentioned again that we need to be good stewards of the money that we receive, and we could make roads a priority without having to borrow \$25M. She suggested that the city set aside the money in the budget and then use the possible money received from the infrastructure funding to pave the roads. She suggested this occur without borrowing money and rushing to make a decision about whether to get this to a ballot.

Bill Camp interjected that he agrees that everyone has made some good points but as he sees it, the big problem is making the November referendum. He further explained that this could be presented on the May 2022 referendum. He also believes the biggest issue is what is the revenue source going to be to pay for it. He would like the group to think about and consider the revenue source. He asked the committee to remember that the transportation SPLOST (T-SPLOST) has become a popular option in some communities and could be considered as an option in our community. If the entire county had this SPLOST, approximately \$15M would be generated and although it would be shared with the county, it would be a good source of revenue for the city. Discussion was then had about whether a transportation SPLOST would be favorable in Rome and Floyd County.

Cochran continued discussion about current paving history and his support of using bond money being more efficient and less expensive in the long run. Stevenson stated she would like to see what federal dollars are disbursed for infrastructure in the coming months. Rich went back to an earlier question about why we haven't been using monies we already have and stated he feels that we are finally in a good financial position with a fund balance large enough to now set aside \$4M for paving. We also know that our largest taxpayer, Redmond, is going away and the future is uncertain.

Finance Director Toni Rhinehart stated that it would require 2 mils if the debt was 100 percent funded by taxes. She also stated we do not know the total financial impact of the loss of Redmond. The impact is at least \$882,000 between the city and city schools, and could be more. The tax assessor's office said to anticipate all properties to be exempt. She reminded the

committee that a commitment to public safety had just been made with an impact of approximately \$1M. Stevenson then proposed to wait and see when January rolls around what we have and what we can do at that time and then decide whether to present it on a May referendum.

After much discussion some commissioners do not feel comfortable moving forward on this right now. Rich again asked if we wanted a referendum to go before the voters when it appears that the Commissioners may have a split vote. The AGL project was then discussed. Cochran feels that it looks bad to the public that the damaged roads have not been repaired. Stevenson said we would need to do a priority list and the roads that AGL does not repair appropriately would need to be at the top of the list. Discussion continued about the AGL roads and the impact on our roadways.

Rich reminded the committee that the Public Works Committee had made the motion to put this on the November referendum and the reason for this meeting today was to determine the financial implications of the bonded debt. A decision needs to be made as soon as possible to get back with Ms. Waddell in reference to this being presented on the November ballot. Mayor McDaniel stated that every commissioner needed to understand the motion and what would be presented to the voters. It was determined that a called meeting with the full city commission needed to be scheduled for 5:30 on September 22,2021.

The meeting was then adjourned.

Respectfully Submitted

Vicki Blair